



# FOCUS ON HOUSING

August 2005

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## AN INTERVIEW WITH SENATOR TOM TORLAKSON, CHAIR, SENATE TRANSPORTATION AND HOUSING COMMITTEE

**Q: How are transportation and housing linked,  
and what do you see as the state and local govern-  
ments' roles in addressing California's housing  
needs?**

**A:** When I talk to business leaders around the state, I continually hear that housing and transportation are a top priority in their decisions to stay, invest, and create jobs in California. Housing and transportation are key to our state's continued economic competitiveness. *For more, see Page 6.*

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## RICHMOND CELEBRATES HOUSING COMPLEX REHABILITATION

The city of Richmond recently unveiled Pullman Point, a revitalized affordable housing community.

Formerly known as Richmond Townhouses, the 199-unit complex has been reborn after a \$27 million redevelopment effort, after years of neglect led to high amounts of crime and vandalism. *For more, see Page 7.*

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## SENIOR HOUSING REPLACES BROWNFIELD SITE

The city of Santa Fe Springs has converted a former brownfield site into a 4.6-acre affordable senior apartment community.

In the 1950s and early '60s, refinery-related operations on the land caused the ground to be contaminated. The city tested for and ultimately remediated the contamination problem to the satisfaction of the Regional Water Quality Control Board, allowing them to build senior housing and occupy the land for the first time in most than 40 years. *For more, see Page 5.*

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## HOUSING IN THE NEWS

### **\$162.9 Million in Prop 46 Funds Awarded**

Another round of Proposition 46 funds has been awarded in California, totaling \$162.9 million.

California Business, Transportation and Housing Agency Secretary Sunne Wright McPeak announced the award on July 15. Lucetta "Lucy" Dunn, director of the California Department of Housing and Community Development (HCD), noted that the award would lead to the construction of 10,000 affordable homes in 36 counties. For an electronic copy of the news release, visit the HCD website at [www.hcd.ca.gov/news/release](http://www.hcd.ca.gov/news/release).

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### **Condominiums to Replace Yeast Factory in Oakland**

The closed Red Star Yeast factory in West Oakland is slated to give rise to a new condominium project, across the street from the West Oakland Bay Area Rapid Transit (BART) station.

Recently approved by the Oakland Planning Commission, the project would convert the factory into 119 for-sale condominiums after developers Aegis Equity, Mariposa Property, and the Alliance for West Oakland Development cleaned the site of toxic contaminants.

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### **New Apartment Complex Aids Homeless**

The Rotary Bridge Apartments, located in Fremont, opened in mid-July. The 18-unit development is the first southern Alameda County housing project built for the homeless from the ground up.

Six hundred applicants vied for the 18 rental units, which range from studios to two-bedroom apartments. The entire project cost approximately \$8 million. Residents will pay no more than one-third of their income in rent. For more information on the project, visit the Tri-City Homeless Coalition website at [www.tricityhomeless.org](http://www.tricityhomeless.org).

### **HEART Provides Funding Toward Senior Apartments**

The Housing Endowment and Regional Trust (HEART), a newly created housing foundation in San Mateo County, has made a \$510,000 grant to help build an apartment building in Daly City for senior citizens with very low incomes.

The proposed 40-unit building would be located on the corner of Mission Circle and Hillcrest, currently the site of an overflow parking lot for local stores. If the plan goes forward construction would begin no earlier than mid-2006, and rents will range from \$150-\$300 per month, depending on the income of the resident. For more information on HEART, visit the Housing Leadership Council of San Mateo County website at [www.hlcsmc.org](http://www.hlcsmc.org).

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### **Affordable Housing in San Francisco a Bright Spot**

Featuring a four-story-high abstract mural, the SOMA Studios and Family Apartments located on the corner of Eighth and Howard streets shines as an example of eye-pleasing affordable housing in San Francisco.

Instead of matching the flat and gray décor seen in the neighborhood, the building opens up with a glassy ground floor that contains a grocery store and café. All 162 units are reserved for residents earning less than 50 percent of the city's median income - roughly \$45,000 for a family of four.

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### **\$16 Million Approved for Redwood City**

The California Housing Finance Agency (CalHFA) recently approved \$16 million in affordable housing for Redwood City.

Fifty rental units for low-income families are expected to be available in August 2006 as a part

*Continued on Page 3*

## HOUSING IN THE NEWS from page 2

of Villa Montgomery Apartments, a 58-unit community that will be located a quarter-mile away from downtown Redwood City. Those eligible for the low-income units must have incomes ranging from 20 to 60 percent of the area's median income.

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### **Davis to Receive New Senior Housing**

Groundbreaking took place in early July for Eleanor Roosevelt Circle – a 60-unit development of affordable housing units for seniors in Davis.

The two-acre project is located at Cantrill Drive and 5th Street, and will include one-bedroom apartments for those of low and moderate incomes. The development is a joint project between Senior Housing Cooperative, Yolo County Housing Authority, and Neighborhood Partners, LLC. Work on the new community is slated to finish in July 2006.

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### **Inclusionary Housing with a Twist**

In Hayward, a developer seeking to build 179 homes is complying with the city's inclusionary housing ordinance in a different way. Instead of building the low-income housing on the site of the proposed homes, 80 apartment units will be located about four miles away.

The rationale for the unusual plan is that if low-income housing is built on the site of the other homes, which are slated to be high-end residences, only 27 units can be built. If moved to another location, the developer is able to increase that number to 80 units, providing more needed affordable homes than would be available otherwise. The plan is part of an application for the development of La Vista Quarry, a mining operation that is owned by the project's developer, The DeSilva Group.

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### **Turlock Adding Affordable Senior Housing**

The former site of Emanuel Hospital in Turlock will soon be home to Crane Terrace, a 44-unit, affordable senior apartment complex.

The project began construction in May, and is being overseen by the Central Valley Coalition for Affordable Housing. In addition to the apartments, the property will feature three community recreation rooms and a large courtyard for residents.

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### **Partnership to Develop Former World War II Public Housing**

Mercy Housing and the Los Angeles Community Design Center have partnered to redevelop New Dana Strand, a former World War II public housing development.

The project officially broke ground on July 18, and when completed, will have transformed the site into 413 affordable housing units for low-income seniors and families. Housing will range from garden apartments to single family homes. The new development will be constructed in phases, with 2008 the expected completion and full occupancy date.

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## AN INTERVIEW WITH NATHAN MAGSIG MAYOR OF CLOVIS, EXECUTIVE DIRECTOR OF CURE



Nathan Magsig- Mayor of Clovis,  
Executive Director of CURE

**Q - What challenges does the greater Fresno area face in providing affordable housing, and what has the Coalition of Urban Renewal Excellence (CURE) done to address those challenges?**

A - The Central Valley is experiencing extensive growth. This growth is putting pressure on the housing market, forcing existing and new homes to increase in value. In the Fresno area, only 17 percent of residents are able to afford a median priced home.

To combat this, CURE is working hard to provide additional affordable housing units in the Fresno market. Over the past year, CURE has built and sold 45 homes to low- and moderate-income families. Even with this contribution of homes, the number of families needing housing assistance is growing. CURE is partnering with Habitat for Humanity, the Housing Authority, the City of Fresno and the Economic Opportunities Commission Local Conservation Corps (EOCLCC). By working together all nonprofit organizations are able to make a bigger difference.

**Q - What has your dual role as both the mayor of Clovis and an affordable housing developer taught you about the housing issues in the Fresno area? Any important lessons learned/advice you could share with other city leaders?**

A - Public policy can either inhibit or assist organizations building affordable housing. For example, all cities claim that they are concerned with providing enough affordable housing, yet if no incentives or priority is given to affordable housing developers during the planning or permitting process, a city may only be giving lip service to the housing problem.

One priority of CURE is to provide infill housing and to rejuvenate neighborhoods impacted by blight. CURE has worked on several infill projects where the fees or the offsite improvements for a single infill lot make the project cost prohibitive. Affordable housing, in many respects, is more challenging than building market rate housing.

As city leaders, it is our duty to have a general understanding of all issues impacting our communities. Providing incentives for affordable housing projects shows the community that the elected representatives are delivering more than platitudes to the housing issues.

**Q - Another housing issue in California is the challenge of fixed and low-income seniors finding a place to live. How has CURE addressed this, and in your opinion, how can the industry help provide affordable living for seniors?**

A - Many of those who can't afford single-family homes in the Fresno area are seniors. A new affordable housing project is being developed by Southern California Presbyterian Homes for Seniors in Clovis. This project contains 74 multi-family units for low-income seniors. The project will open in the next few months and there is already a waiting list.

More senior projects need to be encouraged. One way this can be accomplished is to eliminate the prevailing wage requirements on projects that use government funds to create low-income senior housing. A trade-off for the elimination of prevailing wage could be extending the affordability period on the entire project thus allowing for those units to remain in the affordable pool longer.

**Q - For other housing developers reading this interview, what are some of the things they can do to help solve the housing shortage in the state, and what should they know about the local government side of the process?**

A - Builders will continue to build homes as long as people have the ability to buy them. Developers need to seek out municipalities that are proactive in

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## MAGSIG from page 4 . . . . .

dealing with their issues. They do exist. These communities give builders the largest opportunities to develop affordable housing. Most cities recognize that it is not the elected officials who build their city-- it is the developers/builders.

Builders need to be involved when cities go through the general plan update cycle to work with planners and council members with housing land use issues thus maximizing density.

**Q - Community perception can sometimes be a difficulty when discussing locations for affordable housing. What do you think is necessary to change public opinion about affordable housing and the benefits it can bring to a community?**

A - The "not in my backyard" (NIMBY) syndrome always seems to come up from nearby residents when affordable housing projects are proposed. To change public opinion about affordable housing, builders need to create a product that is as good or better than other homes in the neighborhood where they are building. This may require a developer to create a new standard plan that matches the homes on a particular street.

In addition, affordable housing developers need to view existing residents as important players in their project. Developers need to conduct neighborhood meetings to gather input from area residents and address as many of their concerns before the planning commission and council meetings. As a result, the developer will earn a reputation of being reasonable and responsible.

***Nathan Magsig is a resident of the City of Clovis. He was first elected in March 2001, and serves on a number of boards and commissions, including the League's Housing, Community and Economic Development Committee.***

***Mayor Magsig has been the Executive Director of CURE since 2003, and takes pride in helping deliver quality moderate and low-income housing for families in the Fresno area. He is also a lecturer for California State University, Fresno.***

## SENIOR from page 1 . . . . .

Using an "all hands" approach of inviting all interested parties to attend meetings, the city was able to ease concerns of regulatory agencies, lending institutions and the surrounding neighborhood, leading to a broad coalition of support for the project. As a result, the entire process, which included land acquisition, entitlements, funding, and finally, construction, took just four years.

Named "Little Lake Village", the complex consists of 144 apartments for low and very-low income seniors of ages 62 or older. The community is made up of four three-story buildings, and is designed with special amenities unique to senior apartments.

Laundry rooms are located on the second floor instead of the ground floor so that residents don't need to carry laundry more than one floor, up or down. In addition, every unit provides lower cabinets and countertops, wider hallway and doorway openings, and low-rise, step-in shower tubs for safer access.

In an effort to create a true community, each building has a hospitality area to encourage socializing among residents, and there is a centrally located 5,500 square-foot community room that contains a library, computer lab, and recreation space.

On the outside, Little Lake Village was built to be an active senior community. A walkway encircles the entire complex, providing shaded seating areas throughout, and artwork pockets featuring prominent art pieces commissioned specifically for the project. A spa, gazebo and barbecue area accentuates the grounds, complimenting the park-like atmosphere.

From a safety standpoint, the village is full enclosed by a landscaped wall, and access to the community is restricted to a single, central gate.

The project cost \$16 million, and was financed through a combination of sources. \$6 million came from the city's housing funds, and \$8 million was received through the County of Los Angeles Community Development Commission. Tax credit bonds made up the other \$2 million.

Little Lake Village has also won an award. The Gateway Cities Partnership recognized the complex as the "Best Affordable Housing Project" for 2004.

## TORLAKSON from page 1.....

They are also closely inter-related. As housing in job centers becomes scarcer, it leads to higher housing prices and longer commutes, which especially impacts young working families. In turn, as these commutes worsen, many localities have begun to charge large impact fees for roads and highways, which further affects housing affordability.

The solution to this is better planning for both transportation and housing. On the housing side, during the 1990s we built only half the 220,000 housing units needed to meet the needs of state's growing population. We've done a better job over the past two years. For example, last year, we built 210,000 homes, but that still fell short of the estimated 220,000 yearly need. There is a strong and increasing market for job center and infill housing, but many barriers prevent the market from responding to this demand. With the right planning, we can provide more housing supply at a range of incomes near jobs and transit centers. Additionally, more compact development will lessen the demand on our roads and highways.

We are currently working on a number of measures to help facilitate these strategies. I have authored bills to provide state funding for infill-specific plans at the local level and tax-increment financing for transit-oriented development. In his transportation bond measure, Senator Perata has also proposed financial incentives for local governments that meet their housing needs.

Providing more financial carrots does two good things: it rewards for cities that do the right thing by building housing, and it helps overcome neighborhood opposition. Incentive funds make it possible for cities to invest in infrastructure and services to meet the needs of the current residents and provide a more balanced policy to help sell new housing to the community.

The traffic impact of new development is often the biggest concern raised by neighbors. To the extent the state fails to invest in transportation infrastructure, it creates built-in opposition to additional housing. I applaud cities and counties for working to pass numerous countywide half-cent

sales taxes to pay for local transportation projects that help meet the needs of the state's growing population. It's proving to be a vital source of revenue for transportation projects — now making up 40 percent of the state's transportation funding. However, the state needs to step up to its responsibilities and promote the passage of a large bond and the development of other revenues.

**Q: Is there a point in time when community values, as reflected in local ordinances or council votes, should be overruled by state legislation?**

A: There needs to be a balance between upholding the values of the community and meeting larger regional and statewide needs. Typically, I favor the carrot approach over the stick approach. But sometimes you also need a stick. There must be real teeth in housing element law and consequences for communities that neglect their responsibilities. I am pleased that the League of California Cities is working with homebuilders to create a new framework for the planning process that reflects this balance. There is a place for state laws to ensure accountability, and many local elected officials have privately told me that they like strong state policy guidelines that "provide cover" for doing the right thing. We know that our economy and families need more housing at all income levels.

I believe we must also look at the initiative and referendum process as it relates to housing development. The public should be intimately involved in the development of a general plan and have every opportunity to challenge the environmental review and even to referend the project. But when a community has done its general plan work correctly, I believe it is not appropriate to challenge zoning changes and other actions that implement the general plan.

**Q: There have been a number of bills over the past few years that have sought to impose solutions on communities – such as SB 1818 that requires cities to grant a**

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## RICHMOND from page 1 .....



**Pullman Point Community Before**

Financing for the Pullman Point community came from a variety of sources, including both public and private agencies. The city of Richmond provided pre-development financing and a low income tax credit allocation of \$16.9 million. The Enterprise Social Investment Corporation is also contributing \$14.9 million in equity to the development, and Citibank Community Development provided a \$15.7 million construction loan, and more than \$10 million in permanent financing.

Originally constructed in 1973, the property was acquired and developed jointly in 2004 by the Community Housing Development Corporation (CHDC) of North Richmond, the John Stewart Company, and Devine & Gong and transformed the community into a safe and affordable place to live. A grand opening celebration was held on June 11, with festivities including a ceremony featuring representatives from the city, the United States Department of Housing & Urban Development (HUD) and community residents.

More than 80 percent of the original residents who lived at Richmond Townhomes prior to the redevelopment continue to reside at the new Pullman Point. Qualifying incomes are 30-60 percent of the area's median income, starting at \$24,840 for a family of four, up to \$49,680. The complex features 1-, 2-, 3- and 4-bedroom units, and now has an 8,000 square-foot community center. The lead architect on the project was Kodama Disneo, while West Coast Contractors handled general construction.

Revitalization of the area hasn't stopped with



**Pullman Point Community After**

the new community center and redeveloped housing. A tenants' association has been formed, and CHDC is putting together various programs that will benefit those living in the community. A full-time project services coordinator and a computer learning center instructor will eventually be on-site to oversee all programs, which will include job training, job search support, after school care, referral programs for health and medical agencies, and computer training.

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## TORLAKSON from page 6

**density bonus to developers who promise to build affordable housing. What is your view of the use of these types of measures?**

A: I believe giving cities additional tools to get more density is a good thing, especially in exchange for affordable housing. When I was on the Contra Costa County Board of Supervisors, I supported a self-help housing project. The development incensed the neighbors, but the county was desperate for more workforce housing in that area, and it was the right thing to do. The density bonus allowed us to build more units and made for a much better project.

**Q: What are your thoughts about the SCA 15 and ACA 22, two constitutional amendments recently introduced that would severely restrict the ability of redevelopment agencies to use eminent domain to build the affordable housing that California needs?**

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## TORLAKSON from page 7 . . . . .

A: I think we need to be careful about overreacting to the recent *Kelo v. City of New London* decision by the U.S. Supreme Court. California isn't Connecticut; our laws on the use of eminent domain are stricter than they are in Connecticut. With redevelopment, for instance, they only allow the use of eminent domain for private end uses when it is used to cure blight. And the owner of a property subject to eminent domain receives fair market value for the property as well as relocation payments.

By and large, eminent domain is used sparingly. If there are abuses here in California, then we should address those in a measured way, but not eliminate a much-needed tool that for the most part has been used judiciously by local elected officials sensitive to the community's needs.

***Senator Tom Torlakson represents California's 7th Senate District, which includes most of Contra Costa County. A long-time advocate of linking solutions to address housing, transportation, and jobs, Sen. Torlakson was named in early 2005 to chair the new Senate Committee on Transportation and Housing.***

***Sen. Torlakson was the author of legislation that became Proposition 1A, a measure to protect local government revenues that the League supported and campaigned for. In November 2004, California's voters passed Prop 1A with 83.7 percent approval, the largest support percentage for any proposition in state history.***

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### HAYWARD COMMUNITY REVIVED

Once populated by rundown single-family homes with illegal additions, and obsolete buildings, the block now known as "Renaissance Walk" in Hayward has been redeveloped into a symbol of progress for the city.

Committed to building downtown housing, the Hayward Redevelopment Agency spent \$5.5 million on the project, revitalizing it into a close-

knit community. The total included land acquisition, relocation benefits, and environmental remediation work at a former gas station site.



"Renaissance Walk" in Hayward Before

The city's redevelopment agency acquired all but one site in the area voluntarily. The lone resident that didn't want to sell was a 90-year-old Hayward resident that had lived in her home for most of her life. Officials in Hayward took great pride in working with the resident, and agreed to design the plan around her home, with a configuration to accommodate a four-plex building on that site at a future date.

Once fully completed, the project will consist of 46 living units, with 22 two-bedroom flats reserved for families earning a moderate income. The reserved units will be priced between \$265,000-\$275,000. The homes will be kept affordable for 45 years through resale restrictions, and are within walking distance of a Bay Area Rapid Transit (BART) station.



"Renaissance Walk" in Hayward After



## UPCOMING HOUSING FORUMS

### **August 10-11: California Redevelopment Agency Legal Issues Symposium**

The California Redevelopment Agency will be holding its Legal Issues Symposium from August 10-11 at the Fairmont Hotel in San Jose. The event provides the most current legislative, policy, legal and regulatory information relevant to senior private and public sector officials.

Highlights include an update on current cases and recent legislation, and national trends in redevelopment law – including “Is California Influencing These Cases or Are These Cases Influencing California.” Other classes include those on special issues in affordable homeownership programs, and other redevelopment-related seminars.

For more information or to register, visit the California Redevelopment Agency website at [www.calredevelop.org](http://www.calredevelop.org).

### **Homebuyer's Education Seminars**

The Fair Housing Council of Riverside County is offering free monthly Homebuyer's Education Seminars to first-time homebuyers wanting to learn about the process of buying a home.

These seminars explain the basics of the home-buying process, including credit repair, realtors, down payment assistance, financial planning, title reports, escrow, and home maintenance. Seminars are usually held the second Saturday of the month from 10 a.m. to 2 p.m. at the Fair Housing Council offices in Riverside. Please call (800) 655-1812 for dates and reservations.

### **NeighborWorks Homeownership Center**

Neighborhood Housing Services of the Inland Empire and the Community Investment Corporation have partnered to create a NeighborWorks Homeownership center at 4250 Brockton Avenue, Suite 100, in Riverside. The center will offer extensive services for prospective homebuyers, including:

- Homebuyer Orientations, generally the third Thursday of every month from 6 p.m. – 8 p.m. These free sessions will provide an introduction to the home-buying process and an overview of programs available to assist low-income buyers.
- Homebuyer's education for those about to purchase a home. These free eight-hour trainings will run from 9 a.m. to 5 p.m. the third Saturday of every month, and will give a comprehensive overview of the home-buying process.
- Free information on and referrals to a variety of homebuyer assistance programs provided by the city and county of Riverside.

For more information, contact the NeighborWorks Homeownership Center at (951) 786-1372, or visit them at 4250 Brockton Avenue, Suite 100 in Riverside. You can also visit their website at [www.nhsie.org](http://www.nhsie.org).

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